

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 3/26/2013	(3) CONTACT/PHONE Courtney Howard, Water Resources Engineer (805) 781-1016	
(4) SUBJECT Request to authorize the Director of Public Works to execute sub-grant agreements for State of California Department of Water Resources (DWR) Integrated Regional Water Management Program Grants with participating agencies and authorize associated budget adjustments. All Districts.			
(5) RECOMMENDED ACTION It is our recommendation that your Honorable Board, acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District): <ol style="list-style-type: none"> <li>1. Authorize the Director of Public Works to execute sub-grant agreements, which are attached as Exhibits "B" and "C" in substantial form, for Integrated Regional Water Management Program Grants with agencies leading grant-funded efforts subject to final approval as to legal form and effect by County Counsel;</li> <li>2. Authorize a budget adjustment, by a 4/5<sup>th</sup>'s vote, in the amount of \$10,401,000 to receive and "pass through" the implementation grant funds in accordance with DWR requirements and the sub-grant agreements;</li> <li>3. Authorize a budget adjustment, by a 4/5<sup>th</sup>'s vote, in the amount of \$350,000 to receive and "pass through" the planning grant funds in accordance with DWR requirements and the sub-grant agreements; and</li> </ol> Acting as the Board of Supervisors for the San Luis Obispo County: <ol style="list-style-type: none"> <li>1. Authorize the Director of Public Works to execute a sub-grant agreement, which is attached as Exhibit "B.2" in substantial form, for an Integrated Regional Water Management Program Implementation Grant for the Los Osos Wastewater Project, subject to final approval as to legal form and effect by County Counsel.</li> </ol>			
(6) FUNDING SOURCE(S) Flood Control, General Fund (1300000000)	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes / No
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input checked="" type="checkbox"/> Board Business (Time Est. <u>40 min.</u> )			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1213104 and 1213102 <input checked="" type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP No	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A    Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts -			

13MAR26-BB-1

## County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works

Courtney Howard, Water Resources Engineer

VIA: Dean Benedix, Utilities Division Manager

Paavo Ogren, Director of Public Works

DATE: 3/26/2013

SUBJECT: Request to authorize the Director of Public Works to execute sub-grant agreements for State of California Department of Water Resources (DWR) Integrated Regional Water Management Program Grants with participating agencies and authorize associated budget adjustments. All Districts.

### **RECOMMENDATION**

It is our recommendation that your Honorable Board, acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District):

1. Authorize the Director of Public Works to execute sub-grant agreements, which are attached as Exhibits "B" and "C" in substantial form, for Integrated Regional Water Management Program Grants with agencies leading grant-funded efforts subject to final approval as to legal form and effect by County Counsel;
2. Authorize a budget adjustment, by a 4/5<sup>th</sup>'s vote, in the amount of \$10,401,000 to receive and "pass through" the implementation grant funds in accordance with DWR requirements and the sub-grant agreements;
3. Authorize a budget adjustment, by a 4/5<sup>th</sup>'s vote, in the amount of \$350,000 to receive and "pass through" the planning grant funds in accordance with DWR requirements and the sub-grant agreements; and

Acting as the Board of Supervisors for the San Luis Obispo County:

1. Authorize the Director of Public Works to execute a sub-grant agreement, which is attached as Exhibit "B.2" in substantial form, for an Integrated Regional Water Management Program Implementation Grant for the Los Osos Wastewater Project, subject to final approval as to legal form and effect by County Counsel.

## **DISCUSSION**

### ***Integrated Regional Water Management Background***

Senate Bill 1672 established the Integrated Regional Water Management (IRWM) Act in 2002, intended to promote collaborative and integrated management of water resources. California voters passed a series of propositions, thereby establishing and funding efforts under the State's IRWM Program. These propositions authorized the State's Legislature to appropriate grant funds for IRWM plans and projects, and to establish grant eligibility requirements.

The DWR IRWM Program covers a wide range of water resource strategies, including projects that protect communities from drought and floods, protect and improve water quality and ecosystems, and address critical water supply or quality needs of disadvantaged communities. The IRWM Program is intended to promote a new model for water management, consistent with the California Water Plan and provides both "planning" and "implementation" grants. Planning grants are for updating existing IRWM Plans to meet the requirements of IRWM Program Guidelines and to help fund specific water resource planning efforts. Implementation grants are reserved for actual construction projects or implementation of programs.

### ***IRWM Grant Approvals***

The District, in coordination with local agencies and stakeholders, was successful in obtaining a \$10.4 million implementation grant (Implementation Grant) and a \$1.0 million planning grant (Planning Grant) for the participating agencies. Exhibit "A" includes the DWR grant funding commitment letters and scope summaries for the funded work efforts.

IRWM program Implementation Grant funding benefits the region by facilitating the implementation of the region's highest priority water quality, water supply and flood management projects. The implementation grant funding approved by DWR is shown in the following table.

Implementation Grant Component	Grant Funding Allocation	Lead Agency
Grant Administration	\$55,556	Flood Control District
Los Osos Wastewater Project	\$5,945,444	San Luis Obispo County (*)
Zone 1/1A Waterway Management Program	\$2,200,000	Flood Control District
Nipomo Supplemental Water Project	\$2,200,000	Nipomo CSD (*)
Total Grant Award	\$10,401,000	(*) 2 Sub-Agreements

IRWM program Planning Grant funding benefits the region by facilitating the development of an updated IRWM Plan and special planning efforts as described below.

<b>Planning Grant Component</b>	<b>Grant Funding Allocation</b>	<b>Lead Agency</b>
Update IRWM Plan to Meet Standards	\$185,000	Flood Control District
Identification of Basins Requiring SNMP's	\$15,000	Flood Control District
Santa Maria Groundwater Basin Study	\$200,000	Flood Control District
Paso Robles Groundwater Basin SNMP	\$100,000	City of Paso Robles (*)
Paso Robles Groundwater Basin Model	\$50,000	Flood Control District
Regional Recycled Water Planning	\$200,000	Flood Control District
Watershed Management Planning	\$125,360 \$124,640	Upper Salinas RCD (*) Coastal San Luis RCD (*)
<b>Total Grant Award</b>	<b>\$1,000,000</b>	<b>(*) 3 Sub-Agreements</b>

### ***IRWM Grant Administration***

As required by the DWR IRWM grant program, your Board adopted Resolutions 2010-357 and 2012-42 in December 2010 and February 2012 respectively, which authorized the submittal of grant applications on behalf of participating agencies and authorized the Public Works Director to execute the grant agreements with DWR. The State Implementation Grant Agreement (Exhibit "D"), is expected to be received from DWR within the next couple weeks. Likewise, our need to be authorized to execute sub-grant agreements is important for efficient administration of the IRWM Program pursuant to DWR guidelines. The timing of the final State Planning Grant Agreement is expected to coincide with or shortly follow the State Implementation Grant Agreement.

Sub-grant agreements with the participating agencies need to be executed in order to transfer funding and the responsibility for complying with applicable provisions in the State Grant Agreements to the participating agencies. Consequently, the sub-grant agreements are modeled after and include the applicable provisions of the State Grant Agreements.

The final sub-grant agreements will be substantially<sup>1</sup> in the form as shown in Exhibits "B and C" and are to be approved as to legal form and effect by County Counsel prior to execution.

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<sup>1</sup> Upon receipt of the final State Grant Agreements, each sub-agreement will be updated to match accordingly prior to execution, particularly details and format for planning grant sub-agreement work plans, schedules and budgets.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

The State agency responsible for executing IRWM Grant Agreements is DWR.

County Counsel has reviewed the draft sub-grant agreements as to legal form and effect, and will provide approval prior to execution.

The San Luis Obispo County Region's (SLOCo Region's) Regional Water Management Group (RWMG) via a Memorandum of Understanding (MOU) and the Water Resources Advisory Committee (WRAC) coordinate with the District to develop and implement the SLOCo Region's IRWM Plan (Plan) and maintain eligibility for IRWM grant opportunities.

Local agencies that have been awarded grant funds through the DWR IRWM Program include the Flood Control District, the County of San Luis Obispo (on behalf of Los Osos), the Nipomo Community Services District, the City of Paso Robles, the Upper Salinas Resource Conservation District and the Coastal San Luis Resource Conservation District.

## **FINANCIAL CONSIDERATIONS**

The Implementation Grant award from the Integrated Regional Water Management Program is \$10,401,000 as noted in Exhibit "A." A budget adjustment is necessary to disburse those funds to each project.

The cost to update the IRWM plan is \$499,000 and is included in the FY 2012-2013 Flood Control budget, as noted in Exhibit "F". Consequently, no budget adjustment is needed for the Plan update.

The Planning Grant funding award is \$1,000,000. Of that amount, \$650,000 is already included in the Flood Control Districts FY 2012-2013 budget. A budget adjustment for the remaining \$350,000 is now necessary in order to reimburse the outside agencies.

## **RESULTS**

Authorizing the Public Works Director of San Luis Obispo County to execute sub-grant agreements with participating agencies will facilitate grant administration efforts, and provide grant funding for high priority water resources projects identified in the SLOC Region's IRWM Plan. Therefore, approving the recommendations will contribute to a safe, healthy, livable, prosperous and well-governed community.

File: CF 900.36.01

Reference: 13MAR26-BB-1

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## **ATTACHMENTS**

1. Exhibit A – Department of Water Resources Grant Commitment Letters and Scope Summaries
2. Exhibit B1 – Draft Implementation Grant Sub-Grant Agreement with Nipomo Community Services District
3. Exhibit B2 - Draft Implementation Grant Sub-Grant Agreement with San Luis Obispo County
4. Exhibit C1 – Draft Planning Grant Sub-Grant Agreement with Upper Salinas-Las Tablas Resource Conservation District
5. Exhibit C2 - Draft Planning Grant Sub-Grant Agreement with Coastal San Luis Resource Conservation District
6. Exhibit C3 - Draft Planning Grant Sub-Grant Agreement with City of El Paso De Robles
7. Exhibit D – State Implementation Grant Agreement Boilerplate
8. Exhibit E – State Planning Grant Agreement Boilerplate
9. Exhibit F – IRWM Plan Update Funding Sources